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BEFORE THE
ILLINOIS COMMERCE COMMISSION

IN THE MATTER OF:)
)
ILLINOIS COMMERCE COMMISSION)
ON ITS OWN MOTION,)
)
Complainant,)
) No. 01-0703
vs.)
)
MIDAMERICAN ENERGY COMPANY,)
)
Respondent.)
)
RECONCILIATION OF REVENUES)
COLLECTED UNDER GAS ADJUSTMENT)
CHARGES WITH ACTUAL COSTS)
PRUDENTLY INCURRED.)
)

Chicago, Illinois
October 18th, 2005

Met, pursuant to notice, at 10:00 a.m.

BEFORE:

MR. JOHN T. RILEY, Administrative Law Judge

1 APPEARANCES:

2 MS. SUSAN STEWART
3 MS. KAREN HUIZENGA
4 401 Douglas Street, P.O. Box 778
5 Sioux City, Iowa 51102
6 for MidAmerican Energy;

7 ILLINOIS COMMERCE COMMISSION, by
8 MR. JOHN C. FEELEY
9 160 North LaSalle Street
10 Suite C-800
11 Chicago, IL 60601
12 (312)793-2877
13 for Staff;

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25 SULLIVAN REPORTING COMPANY, by
26 Devan J. Moore, CSR
27 License No. 084-004589

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I N D E X

<u>Witnesses:</u>	<u>Direct</u>	<u>Cross</u>	<u>Re-direct</u>	<u>Re-cross</u>	<u>By Examiner</u>
Theresa Ebrey	165	168			
Roger J. Miltenberger					
	176	180	203	216	

E X H I B I T S

<u>Number</u>	<u>For Identification</u>	<u>In Evidence</u>
Staff Exhibits 7.00 and 8.00		175
Company Exhibits 10 and 11		218
Staff Cross-Exhibit No. 1	185	218
Staff Cross-Exhibit No. 2	195	218
Respondent's Re-Direct Exhibit 1		
	219	

1 JUDGE RILEY: Pursuant to the direction of the
2 Illinois Commerce Commission, I call Docket 01-0703.
3 This a Reconciliation -- excuse me. This is the
4 Illinois Commerce Commission On Its Own Motion versus
5 MidAmerican Energy Company, Reconciliation of
6 Revenues Collected Under Gas Adjustment Charges With
7 Actual Costs Prudently Incurred. This matter was
8 reopened on May 19, 2003.

9 Beginning with counsel for the
10 Illinois Commerce Commission, Mr. Feeley, would you
11 enter an appearance, please.

12 MR. FEELEY: Sure.

13 Representing Staff of the Illinois
14 Commerce Commission, John C. Feeley, the Office of
15 General Counsel, Illinois Commerce Commission. The
16 address is 160 North LaSalle, Suite C-800; Chicago,
17 Illinois 60601. Phone number (312) 793-2877.

18 JUDGE RILEY: Thank you. And counsel for
19 MidAmerican Energy Company.

20 MS. STEWART: Susan M. Stewart, S-u-s-a-n, M.,
21 S-t-e-w-a-r-t, and Karen M. Huizenga,
22 H-u-i-z-e-n-g-a, appearing on behalf of MidAmerican

1 Energy Company. Our address is 401 Douglas Street;
2 P.O. Box 778, Sioux City, Iowa 50102. And our
3 telephone number is (712) 277-7587.

4 JUDGE RILEY: Thank you. And at this hearing,
5 which has been a long time getting here, we are
6 scheduled to conclude the testimony of witnesses
7 inasmuch as this is the Illinois Commerce
8 Commission's action.

9 Mr. Feeley, I note that both Ms. Ebrey
10 and Mr. Miltonberger filed rebuttal testimony.

11 MR. FEELEY: We just -- only Ms. Ebrey.

12 JUDGE RILEY: I'm sorry. Okay.

13 MR. FEELEY: She filed a direct and rebuttal
14 testimony; correct.

15 JUDGE RILEY: Are you prepared to call
16 Ms. Ebrey as a witness now?

17 MR. FEELEY: You wanted us to go before the
18 Company? We'll do that if...

19 JUDGE RILEY: I was going to say, the Illinois
20 Commerce Commission brought the action.

21 Counsel, do you have any objection to
22 this.

1 MS. STEWART: That's what I had anticipated.

2 MR. FEELEY: I guess, just as long as it's
3 understood that the burden is on the company
4 regarding this PGA docket. And our going first
5 doesn't acknowledge that somehow the burden has
6 shifted.

7 MS. STEWART: I think that's understood by the
8 company.

9 JUDGE RILEY: All right. So understood.

10 MR. FEELEY: All right. At this time Staff
11 will call its one and only witness in this reopening
12 matter, Theresa Ebrey.

13 JUDGE RILEY: Good morning, Ms. Ebrey.

14 (Witness sworn.)

15 JUDGE RILEY: Please proceed.

16 THERESA EBREY,
17 called as a witness herein, having been first duly
18 sworn, was examined and testified as follows:

19 DIRECT EXAMINATION

20 BY

21 MR. FEELEY:

22 Q Could you please state your name for the

1 record.

2 A Theresa Ebrey, spelled E-b-r-e-y.

3 Q And by whom are you employed?

4 A Illinois Commerce Commission.

5 Q And Ms. Ebrey, do you have in front of you
6 two documents I'll discuss, first one -- them
7 separately.

8 Do you have in front of you a document
9 which has been marked for identification as ICC Staff
10 Exhibit 7.00, direct testimony on reopening of
11 Theresa Ebrey dated October 22nd, 2003, consists of
12 five pages in narrative text, an Attachment A, and
13 Schedules 1 through 5?

14 A Yes, I do.

15 Q Was ICC Staff Exhibit 7.0 (sic) and all of
16 its attachments and schedules prepared by you or
17 under your direct supervision or control?

18 A Yes, they were.

19 Q Do you have any additions, solutions, or
20 modifications to make to ICC Staff Exhibit 7.00?

21 A No.

22 Q If I was to ask you today the same series

1 of questions set forth in ICC Staff Exhibit 7.00,
2 would your answers be the same as set forth in that
3 document?

4 A Yes, they would.

5 Q Ms. Ebrey, do you have in front of you
6 another document which has been marked for
7 identification as ICC Staff Exhibit 8.00, the
8 rebuttal testimony on reopening of Theresa Ebrey
9 dated June 21, of 2005, in Docket 01-0703, which
10 consists of cover pages and five pages of narrative
11 text and Schedules 1 through 5?

12 A Yes, I do.

13 Q Was ICC Staff Exhibit 8.00 prepared by you
14 or under your direct supervision and control?

15 A Yes, it was.

16 Q Do you have any additions, deletions, or
17 modifications to make to ICC Staff Exhibit 8.00?

18 A No.

19 Q If I was to ask you today the same series
20 of questions set forth in ICC Staff Exhibit 8.00,
21 would your answers be the same as set forth in that
22 document?

1 A Yes, they would.

2 MR. FEELEY: Judge Riley, at this time Staff
3 would move to admit into evidence ICC Staff Exhibit
4 7.00, direct testimony on reopening of Theresa Ebrey,
5 dated October 22nd, 2003 and all of its attachments
6 and schedules, and ICC Staff Exhibit 8.00, the
7 rebuttal testimony and reopening of Theresa Ebrey,
8 dated June 21, 2005, along with its attached
9 schedules.

10 JUDGE RILEY: Okay. I have the motion.

11 Counsel, did you want to
12 cross-examination first?

13 MS. STEWART: That would be fine.

14 JUDGE RILEY: Okay.

15 CROSS-EXAMINATION

16 BY

17 MS. STEWART:

18 Q Ms. Ebrey, in your direct testimony on
19 lines 94 through 95 you propose a methodology for
20 return of Factor O to customers.

21 Do you see that in your direct testimony?

22 A Yes, I do.

1 Q And you propose that that amount be
2 returned to customers in the first monthly PGA that
3 MidAmerican would file after the date of the final
4 order?

5 A That's correct.

6 Q In developing your recommendation, were you
7 concerned that all customers received their
8 proportionate share of the refund based on their use
9 of gas during the reconciliation period?

10 A Since we're so far beyond the
11 reconciliation period I don't know that that was
12 something that I considered.

13 Q If the amount that was returned during the
14 month when there was low heating gas used, would it
15 be possible that it wouldn't be returned
16 proportionately?

17 A That would probably be possible.

18 Q Have you reviewed Mr. Miltenberger's
19 approach of returning the factor over a 12 month
20 period to ensure proportionality?

21 A Yes, I have.

22 Q Do you have any objections to that

1 approach?

2 A Can you direct me to his testimony where I
3 can discuss that.

4 Q In his -- lines 165 and 168 of his direct
5 testimony.

6 A I think my only concern is I'm not sure how
7 the total would be amortized over the 12-month
8 period. If he would have that amortization based on
9 the usage by the customers, then I wouldn't have a
10 problem with that.

11 Q Based on usage of the customers during
12 the...

13 A During the period of time that the Factor O
14 was computed.

15 Q Can you please turn to your Exhibit 8,
16 Schedule 1.

17 As I understand your description, this
18 is the total gas charge reconciliation showing all
19 the components of your gas charge. It rolls up from
20 your Schedules 2 through 5?

21 A That's correct.

22 Q On line 14 you show a requested factor of

1 \$1,467,936?

2 A That's what shows here, yes.

3 Q Okay. And does this consist of a Cordova
4 Wage and Balance Adjustment totaling \$444,139?

5 A Yes, that's shown on my Schedule 2, Column
6 D on line 5.

7 Q Okay. And does that \$449,139 figure
8 replace the amount that was reflected in your Exhibit
9 7?

10 A I'm -- I think you misspoke the amount.
11 It's 444,000. I think you said 449.

12 Q Okay. I'm sorry.

13 A 444,139. Yes, this is my revised number.

14 Q Okay. And the remainder of that -- the
15 amount shown on Column C of Line 14 is \$1,023,797.
16 And that's related to the net difference between
17 total gas revenues and total gas costs of competitive
18 sales; is that correct?

19 A I use the term unregulated gas sales.

20 Q Okay. And what you're doing there is
21 netting those two figures?

22 A That's correct.

1 Q As an accountant, I assume you're familiar
2 with the Illinois Uniformed System of Accounts?

3 A Yes.

4 Q Can you take a look at Exhibit 8, Schedule
5 1, Line 5 and -- where 2001 gas costs are reflected.

6 Do you know how you would classify
7 that amount using the accounts prescribed by the
8 Illinois Uniformed System of Accounts?

9 A I couldn't say without the System of
10 Accounts in front of me exactly what account number
11 that would be recorded in, no.

12 Q Do you know if it would be in a 800 -- an
13 account that start with a number in the 800 series?

14 A Subject to check.

15 Q Okay. Turning to Schedule 2 of your
16 Exhibit 8, down at the bottom where you have your
17 adjustment related to the unregulated sales in
18 Illinois, do you know where -- what account you would
19 classify those amounts in?

20 JUDGE RILEY: What amounts are they? What
21 line?

22 MS. STEWART: Total Revenues, Unregulated Sales

1 in Illinois, down in the lower left-hand corner.

2 JUDGE RILEY: Okay. I'm sorry. Go ahead.

3 How would an accountant classify
4 those?

5 MS. STEWART: What?

6 JUDGE RILEY: Was that the question?

7 MS. STEWART: That is correct.

8 THE WITNESS: I'm not sure what account those
9 would be recorded in, but the issue in the PGA
10 Reconciliation isn't one of what account number, what
11 general ledger or account number costs are recorded
12 in. It's what essence of the cost is.

13 I mean, you can record something in an
14 account, but that doesn't make it -- you can record a
15 car in an expense account, that doesn't make it an
16 expenses item.

17 BY MS. STEWART:

18 Q Okay. Now, I'd like you to turn to your
19 rebuttal testimony. And about starting at Line 77
20 you have a citation to a discussion in the
21 Commission's order adopting the new part -- 5.5
22 Rules.

1 Do you see that?

2 A Yes. I do.

3 Q And that -- as I understand, that citation
4 it's the basis for your reflection -- your netting of
5 gas costs and the gas revenues in your adjustment; is
6 that correct?

7 A No. This is support from my position on
8 what's to be included as recoverable gas costs.

9 Q Okay. Do you know whether the Ni Gas --
10 the costs that Ni Gas -- that are discussed by Ni gas
11 in that exert were costs that Ni Gas had used to
12 serve the needs of their PGA customers, or do you
13 know if they -- well, would they come out of some
14 kind of a separate portfolio of gas?

15 A I don't know what the specific costs were,
16 no.

17 Q Okay.

18 MS. STEWART: That's all I have for Ms. Ebrey.

19 JUDGE RILEY: Thank you very much.

20 Mr. Feeley, did you have any redirect?

21 MR. FEELEY: One second.

22 I have no redirect.

1 JUDGE RILEY: All right. Thank you, Ms. Ebrey.

2 MR. FEELEY: And then I renew my motion to
3 admit these staff exhibits, 7.0 and 8.0 into
4 evidence.

5 JUDGE RILEY: Any of that include the
6 attachments that are attached?

7 MR. FEELEY: Yes.

8 JUDGE RILEY: Any objection to the admission of
9 Exhibits 7.0 --

10 MS. STEWART: No objection.

11 JUDGE RILEY: Then the Staff Exhibit 7.0 --
12 7.00 and 8.00 with the attached schedules are
13 admitted into evidence.

14 (Whereupon, Staff Exhibit
15 Nos. 7.00 and 8.00 were
16 admitted into evidence.)

17 MS. STEWART: And I would call Roger J.
18 Miltenberger to the stand.

19 JUDGE RILEY: Good morning, Mr. Miltenberger.

20

21

22

1 (Witness sworn.)

2 ROGER J. MILTENBERGER,
3 called as a witness herein, having been first duly
4 sworn, was examined and testified as follows:

5 DIRECT EXAMINATION

6 BY

7 MS. STEWART:

8 Q Please state your name and business
9 address.

10 A My name is Roger J. Miltenberger,
11 M-i-l-t-e-n-b-e-r-g-e-r. And my business address is
12 401 Douglas Street; Sioux City, Iowa 51101.

13 Q By whom are you employed and in what
14 capacity?

15 A I'm employed by my MidAmerican Energy
16 Company as a senior technical accountant.

17 Q Do you have in front of you a document
18 entitled direct testimony on reopening of Roger J.
19 Miltenberger that was filed in e-docket on April 11,
20 2005, that consists of 8 pages of direct testimony
21 that's marked Exhibit -- Company Exhibit 10 and
22 including one schedule that's marked Exhibit 10,

1 Schedule 1, page 1 of 1.

2 If appropriate now, that file -- that
3 schedule was filed in the proprietary docket, and I
4 would move that it be reflected in the public docket.

5 JUDGE RILEY: Any objection, Mr. Feeley?

6 MR. FEELEY: To have Schedule 1 public, no
7 objection.

8 JUDGE RILEY: That motion is granted.

9 So, let the record be very clear that
10 the Schedule 1, consisting of one page; is that
11 correct?

12 MS. STEWART: That's correct.

13 JUDGE RILEY: -- attached to the direct
14 testimony on reopening of Roger J. Miltenberger is
15 now in the public domain.

16 MR. FEELEY: All right. Just a quick second
17 here.

18 Are you going to refile that on
19 e-docket?

20 MS. STEWART: I will refile that on e. This is
21 what the -- we contacted the e-docket people, and
22 this is what they suggested we do. So, I'll

1 probably, this afternoon ask my secretary to refile
2 it pubically, if that's acceptable.

3 JUDGE RILEY: Sure.

4 MS. STEWART: It will make it easier for
5 everyone.

6 JUDGE RILEY: Right.

7 BY MS. STEWART:

8 Q If I -- let's see, was Exhibit 10 prepared
9 by you or under your supervision and direction and
10 control?

11 A Yes, it was.

12 Q Do you have any changes to make to your
13 testimony or your schedule that you would like to
14 make at this time?

15 A No, I do not.

16 Q If I were to ask you all of the questions
17 set forth in your direct testimony that's been
18 identified as Exhibit 10, would your answers be the
19 same?

20 A Yes.

21 Q Are the answers true and correct to the
22 best of your knowledge and belief?

1 A Yes, they are.

2 Q Have you also caused to be filed on
3 e-docket on September 1st four pages of rebuttal
4 testimony on reopening?

5 A Yes.

6 Q Was that -- were those -- was that document
7 prepared by you or under your direct supervision and
8 direction and control?

9 A Yes, it was.

10 Q Do you have any changes to your testimony
11 or schedule that you would like to make at this time?

12 A No, I do not.

13 Q Excuse me, there was no schedule there.

14 If I were to ask you all the questions
15 set forth in that testimony today, would your answers
16 be the same?

17 A Yes, they would.

18 Q And are your answers true and correct to
19 the best of your knowledge and belief?

20 A Yes, they are.

21 MS. STEWART: I will now tender this witness
22 for cross-examination. I understand it's appropriate

1 to ask for this to be admitted to evidence after he's
2 crossed.

3 JUDGE RILEY: Generally, I'll wait until
4 cross-examination is concluded, but I will accept
5 that you have made the motion to move Exhibits 10 and
6 11 into evidence.

7 MS. STEWART: Okay.

8 JUDGE RILEY: All right. Mr. Feeley, any
9 cross-examination?

10 MR. FEELEY: Sure.

11 JUDGE RILEY: Please go ahead.

12 CROSS-EXAMINATION

13 BY

14 MR. FEELEY:

15 Q Good morning, Miltenberger. My name is
16 John Feeley. If I could direct your attention to
17 your direct testimony, page 3, lines 58 to 59.

18 You see in your testimony where you
19 state that MidAmerican maintains a separate gas
20 portfolio for making competitive gas sales?

21 A Yes.

22 Q Okay. By your testimony there do you mean

1 that MEC uses separate suppliers for its gas supply
2 for its competitive customers than it does for its
3 PGA customers?

4 A No, sir, I do not.

5 Q By your testimony there at those lines do
6 you mean that MEC uses separate delivery points for
7 the transactions to competitive customers versus PGA
8 customers?

9 A Delivery points could be the same.
10 However, MidAmerican would use separate pipeline
11 capacity for making these sales.

12 Q By your testimony at lines 58 through 59 do
13 you mean that MEC makes separate transactions for its
14 PGA gas purchases for its competitive customers?

15 A Yes.

16 Q And are separate contracts maintained for
17 the purchase of gas for the PGA customers versus the
18 competitive gas customers?

19 A Yes, they are.

20 Q With respect to the separate gas portfolio,
21 are any internal controls in place to prevent MEC
22 from assigning lower gas cost purchases for PGA

1 customers to competitive customers?

2 MS. STEWART: I'm going to object to this line
3 of questioning. I guess, as long -- I have no
4 objection if you will clarify, John, that these
5 questions that you're asking Mr. Miltenberger refer
6 only to the 2001 PGA year. They're not intended to
7 refer to any practices of MidAmerican either before
8 or after that year?

9 MR. FEELEY: Well, I think the witness's
10 testimony at these lines is -- I mean, is the witness
11 willing to clarify his testimony in that terms?

12 MS. STEWART: The witness's testimony was filed
13 with reference to the 2001 PGA year.

14 MR. FEELEY: Well, all right. I'll ask the
15 question.

16 BY MR. FEELEY:

17 Q Mr. Miltenberger, when you state that
18 MidAmerican maintains separate gas portfolios for
19 making competitive gas sales, is your testimony there
20 only in reference to the 2001 PGA docket?

21 A Yes.

22 Q And with respect to the separate gas

1 portfolio, are any accounting controls in place to
2 present MEC from assigning lower-costs gas purchase
3 for PGA to competitive customers?

4 A The controls that would be in place to
5 assure that that does not happen starts when our gas
6 supply group would go out into the market and buy
7 supply -- and we may be quickly expanding beyond my
8 knowledge of how supply procures gas.

9 But at that point in time, the
10 purchase is identified as either a purchase for
11 regulated PGA customers. Those transactions would be
12 entered into by our regulated gas supply group, the
13 transactions for the competitive sales. Those
14 supplies are procured by a separate gas supply group
15 and they are earmarked that way at the time of
16 purchase.

17 When they are identified like that,
18 that initial identification continues to carry
19 through the whole way through the purchase from the
20 time it is bought, passed on to accounting, and
21 recorded on the books. So, in my opinion, there is
22 no way that a purchase that has been made for the

1 competitive sales could end up being charged to the
2 PGA.

3 Q And how would they identify one versus the
4 other?

5 A It would be identified by the person within
6 gas supply that would be entering into the
7 transaction. They have a separate gas purchasing
8 group for the regulated versus the competitive sales.
9 Those physical supplies, they do not -- we do not
10 have a regulated physical buyer buying gas for
11 competitive sales.

12 MR. FEELEY: Can I approach the witness and
13 give cross-exhibits here?

14 JUDGE RILEY: Okay.

15 MR. FEELEY: (Tendering.)

16 I've handed to you and to the court
17 reporter and Judge Riley what I'll have the court
18 reporter mark for identification as Staff
19 Cross-Exhibit No. 1, which is MidAmerican Energy
20 Company's response to Staff Data request GS-1-A, and
21 the response it indicates that that response numbered
22 through 157 pages of documents which make up Staff

1 Cross-Exhibit No. 1 are specific pages from that
2 response. I do have the whole response here if it's
3 necessary to look at that.

4 However, rather than put in 157 pages,
5 I think just a few pages is all that's necessary to
6 make the point that we're trying to make with the
7 Staff Cross-Exhibit.

8 (Whereupon, Staff Cross-Exhibit
9 No. 1 was marked for
10 identification.)

11 MS. STEWART: Can you -- the pages starting
12 with William's -- they don't -- it look like the page
13 number got cut off or the item number got cut off.
14 Can you just tell me what pages those are?

15 MR. FEELEY: Sure.

16 JUDGE RILEY: I'm not following you. Where are
17 we?

18 MR. FEELEY: Staff Cross-Exhibit No. 1 there is
19 a cover page.

20 JUDGE RILEY: Right.

21 MR. FEELEY: This is marked confidential. I
22 don't know if these numbers are still confidential

1 given the fact that the company redesignated its
2 Schedule 1.

3 MS. STEWART: I will check and I will get back
4 to you.

5 JUDGE RILEY: We'll treat it as confidential at
6 this time.

7 MR. FEELEY: Staff Cross-Exhibit 1 consists of
8 the cover pages that a response provided by the
9 Company and Attachments GS-1-A 133, 140, 141, 142,
10 143 and 144. And GS-1-A 133 is the invoice from
11 transit -- well, I don't know if that -- is the
12 vendor confidential?

13 MS. STEWART: No.

14 MR. FEELEY: Okay. Then it's an invoice from
15 TransCanada (phonetic). And there's one from
16 Williams Energy Marketing and Trading Company, pages
17 1, 2, 3 and 4, and 5.

18 JUDGE RILEY: Mr. Feeley, just for my own
19 reference these pages are part of a larger response
20 of a Staff Data request?

21 MR. FEELEY: Yes. And we have that whole
22 response there.

1 JUDGE RILEY: Okay. Is the entire response
2 there confidential.

3 MR. FEELEY: Yes. The request indicates that
4 it's confidential.

5 JUDGE RILEY: Okay. But that is available to
6 Respondent for inspection?

7 MR. FEELEY: Yeah.

8 JUDGE RILEY: Okay. So you got it in context,
9 but it's just these particular pages that you've
10 marked as the exhibit?

11 MR. FEELEY: Yes. And that I'll have some
12 questions on.

13 JUDGE RILEY: Okay. Proceed.

14 BY MR. FEELEY:

15 Q Mr. Miltenberger, have you had a chance to
16 review Staff Cross-Exhibit No. 1?

17 A Yes.

18 Q Okay. And do you recall Staff Data Request
19 GS-1-A request a listing of all supply invoices
20 according to gas purchases recorded during the test
21 month as well as copies of the -- all the invoices on
22 the listing?

1 A That's correct.

2 Q Okay. And the first page of Staff

3 Cross-Exhibit No. 1 is the cover page to MEC's

4 response to that data request?

5 A Yes, it is.

6 Q And as indicated, that response had

7 attachments that numbered 1 through 157?

8 A Correct.

9 Q Okay. If you go to the second page of

10 Staff Cross-Exhibit 1 GS-1-A 133, do you have that in

11 front of you?

12 A Yes, I do.

13 Q It's an invoice, TransCanada Energy?

14 A Correct.

15 Q Okay. On the far right side of that page,

16 there is some initials written down. SC and DM.

17 Do you see that?

18 A Yes, I do.

19 Q And am I correct that the initial SC

20 represents purchases made by MEC regulated?

21 A That is correct.

22 Q And DM represents purchases made by MEC

1 unregulated or are they competitive?

2 A Correct.

3 Q Okay. Now if you could look at -- still on
4 GS-1-A 133 the second line on the invoice there is a
5 transaction number. The number is 263190.

6 Do you see that?

7 A I do see that, yes.

8 Q Okay. And if you go across to the right is
9 it correct that that transaction is being divided in
10 some manner between DM and SC?

11 A That is correct.

12 Q So a division is being made between the
13 regulated and unregulated sales?

14 A For that line on the invoice, it is being
15 split between regulated and unregulated.

16 JUDGE RILEY: Purchase or sales?

17 THE WITNESS: These would be purchases.

18 BY MR. FEELEY:

19 Q That's purchases of gas?

20 A Purchases of gas, correct.

21 Q Okay. Could you drop down to the 9th line
22 on that same page, a transaction number 269585.

1 Do you see that?

2 A Yes, I do.

3 Q And then if you go across to the far right,
4 that amount for purchases of gas is also being
5 divided between the regulated and unregulated sales?

6 A That is correct.

7 Q Okay. And if you go to the last line of
8 that invoice, the transaction 275892, that is also
9 being divided between regulated and unregulated?

10 A Correct.

11 Q And then at the bottom of that page of that
12 invoice, is it correct that the total invoice added
13 up to approximately 7.9 million, but it's being
14 divided between just over 1 million for DM, and 6 --
15 approximately 6.9 million to SC.

16 Is that correct?

17 A That is correct.

18 JUDGE RILEY: I'm going to look -- where do you
19 see these figures? Is that at the bottom of the same
20 page?

21 MR. FEELEY: On GS-1-A 133 there is some
22 handwritten notes.

1 BY MR. FEELEY:

2 Q Those are MEC handwritten notes; correct?

3 A To the best of my knowledge, yes.

4 Q Okay. And could you read the figure for DM
5 for Judge Riley?

6 A For the DM line the amount is 130,989 MMBTU
7 at 1,900,377.33.

8 JUDGE RILEY: Okay.

9 BY MR. FEELEY:

10 Q And there was a split for SC; correct?

11 A That is correct. The regulated purchases
12 are then split based on the pipeline that the gas was
13 delivered on. There is a line there for regulated
14 purchases for Northern Border Pipeline abbreviated
15 NBPL, and then there's also a line for regulated
16 purchased that were made on the Northern Natural Gas
17 Pipeline.

18 Q If you could go to the third page of the
19 Staff Cross-Exhibit No. 1, there is an invoice from
20 Williams.

21 Do you see that?

22 A Yes.

1 JUDGE RILEY: Is that GS-1-A 140 or 141?

2 MR. FEELEY: The first is GS-1-A and then
3 parentheses 140. And down at the bottom the invoice
4 page number is one.

5 BY MR. FEELEY:

6 Q Do you have that in front of you?

7 A Yes, I do.

8 Q And that invoice from Williams, which
9 numbers five pages, that also was part of the
10 response -- MEC's response to GS-1- A; correct?

11 A Correct.

12 Q And look at that invoice from Williams.

13 Is it correct that in that five-page
14 invoice some of the -- there's the initials DM and SC
15 written next to the numbers there?

16 A Correct.

17 Q And those initials that are reading the
18 same as on the invoice or TransCanada Energy;
19 correct?

20 A Yes, sir, they do.

21 Q And that means some of the figures relate
22 to regulated and some relate to unregulated?

1 A Correct.

2 Q And if you could go to Page 4 of that
3 Williams invoice, there is a transaction that took
4 place on January 23rd. And it's lines -- well,
5 line -- January 23rd and January 25; correct. There
6 is a transaction taking place on that day; correct?

7 A January 23rd through the 25th?

8 Q January 23rd and January 25th.

9 Do you see transactions that took
10 place on that day?

11 A On those days, those three days?

12 Q Well, looking just as January 23rd and
13 January 25th.

14 A I'm sorry, I didn't understand where you
15 were going.

16 Q Let me -- I'll start again.

17 See lines 42 and 44?

18 A Yes, I do.

19 Q Okay. Deliveries were made on January 23rd
20 and January 25th; correct?

21 A Purchases were made those days; correct.

22 Q Okay. And those purchases are being split

1 between DM and SC; correct?

2 A Yes.

3 Q And that's a split between regulated and a
4 nonregulated?

5 A Correct.

6 Q Okay. If you could go to the last page of
7 Staff Cross-Exhibit No. 1, it's page five of the
8 Williams invoice.

9 The total invoice from Williams was
10 approximately -- well, I'll be -- it's approximately
11 4.4 million; correct?

12 A Correct.

13 Q Almost 4.5 million?

14 A Correct.

15 Q Okay. And that amount is being divided
16 between DM & SC; correct?

17 A Yes.

18 Q And that's a division between the regulated
19 and unregulated?

20 A Yes, it is.

21 Q Okay. I have another Staff Cross-Exhibit.

22 JUDGE RILEY: I take it this is Staff

1 Cross-Exhibit 2.

2 MS. STEWART: Before you begin, I notice this
3 is Docket No. 02-723. What relevance does this have
4 to the 2001 PGA year?

5 MR. FEELEY: I'll establish the relevance in
6 the questioning.

7 MS. STEWART: Okay.

8 (Whereupon, Staff Cross-Exhibit
9 No. 2 was marked for
10 identification.)

11 MR. FEELEY: Judge Riley, I've provided to the
12 witness's counsel for MEC a document which the court
13 reporter marked as Staff Cross-Exhibit No. 2. I note
14 that this has also been marked confidential. Staff
15 Cross-Exhibit No. 2 is MEC's response to a Staff data
16 request in Docket No. 02-0723. Request is TEE-403.

17 And I would note that the response
18 there by MEC -- they attached a response to an
19 engineering data request 2.62 and that Docket
20 02-0723.

21 BY MR. FEELEY:

22 Q Mr. Miltenberger, you're also testifying in

1 the 2002 PGA docket matter; correct?

2 A Yes, I am. Yes.

3 Q And have you had a chance to review Staff
4 Cross-Exhibit No. 2?

5 A Very briefly, yes.

6 Q Okay. And you were the person who actually
7 provided that response; correct?

8 A Correct.

9 Q Okay. And is it correct that in that
10 response you provided a copy of a single contract or
11 an invoice for 2002 that is the subject of that 2002
12 PGA matter; correct?

13 A Correct.

14 Q And attached to Staff Cross-Exhibit No. 2
15 the Company's TEE-403, there's an invoice that's
16 attached to that response; correct? It's the last 3
17 pages of Staff Cross-Exhibit No. 2.

18 A Yes, it's an invoice from AEP Energy
19 Services.

20 Q Okay. And on that invoice, there are
21 designations between -- there are designations to be
22 made; one DM, the other being SC; correct?

1 A Yes. Correct.

2 Q And those designations would be the same as
3 the ones that we were referring to on Staff
4 Cross-Exhibit No. 1?

5 A That's correct.

6 Q Okay. Direct your attention to the
7 contract which was part of that response between AEP
8 and MidAmerican and that would be the 10th page of
9 Staff Cross-Exhibit No. 2. At the top it states
10 Section -- or I'm sorry -- strike that. My pages are
11 mixed up here.

12 Okay. In Staff Cross-Exhibit No. 2,
13 there is seven numbered pages. Do you see that in
14 the contract per AEP Energy Services?

15 A I'm sorry, did you say seven pages?

16 Q On the contract, there is numbering that
17 goes through seven pages; correct?

18 A Yes.

19 Q And then there is other pages that were
20 attached to that response also as being part of that
21 contract?

22 A Correct.

1 Q Okay. And if you go to that second page,
2 the page where the word "special provisions" appears.

3 Do you see that?

4 JUDGE RILEY: Hold on.

5 Yes.

6 THE WITNESS: That would be on the last page;
7 correct?

8 BY MR. FEELEY:

9 Q Okay.

10 A Is that the one you're referring to, sir?

11 Q It says "special provisions."

12 Do you see that?

13 A Yes.

14 Q All right. And that page is part of the
15 contract with AEP; correct?

16 A Correct.

17 Q Okay. And is it also correct that the --
18 it's indicated there that the contract is dated June
19 1, 1998?

20 A That is what it says, yes. The base
21 contract is dated that day.

22 Q Okay. And that June 1, 1998 contract

1 covered transactions in the 2002 PGA document;

2 correct?

3 A It appears so, yes.

4 Q Okay. Is it reasonable that that contract
5 would also cover purchases made during the 2001
6 reconciliation period as the subject of this
7 proceeding?

8 A Subject to check, I would say yes.

9 Q Okay. On that last page that has the June
10 1, 1998 date, down at the bottom there is a section
11 that states "corresponds to."

12 Do you see that?

13 A Yes, I do.

14 Q And for "notices and correspondence" only
15 one person is listed there, a Wendy Miller; correct?

16 A That is correct.

17 Q Okay. And for billing and accounting
18 matters that only gets sent to the attention of gas
19 volume accounting; correct?

20 A That is correct.

21 Q Okay. Look at your rebuttal testimony.
22 Directing your attention to Page 4 of your rebuttal

1 testimony lines 65 through 66. Do you have that in
2 front of you?

3 A Yes, sir, I do.

4 Q Okay. You state that you would propose
5 that any Factor 0 be amortized over a 12-month period
6 in order to treat all customers fairly.

7 Do you -- if the Commission were to
8 approve of a 12-month amortization period, do you
9 agree that an amount for interest on the
10 over-recovery should be added to the Factor 0 for the
11 total amount to be refunded?

12 A Yes. I believe if that order is approved
13 by the Commission, then MEC should pay interest if we
14 are holding funds.

15 Q Okay. And if the Commission were to
16 approve that Factor 0 plus interest be amortized over
17 a 12-month period, would the Company agree that
18 basing the monthly amortization on MEC's forecast
19 that their sales for the 12-month period would be an
20 appropriate amortization method?

21 A That is how I would propose to amortize it.

22 Q Okay.

1 A Using the forecasting sales.

2 You did state forecasted sales;

3 correct?

4 Q Forecasted their sales or a 12-month

5 period?

6 A Yes, I would agree.

7 Q At this time Staff would move to admit into

8 evidence Staff Cross-Exhibit No. 1, which is

9 Company's response to GS-1-A, certain pages from that

10 157-page response into evidence?

11 JUDGE RILEY: Okay. Counsel, did you -- let me

12 ask first do you have any redirect?

13 MS. STEWART: I do have some redirect. And

14 before I -- I'd like to speak with Mr. Miltenberger

15 before I agree or don't agree to put this portion

16 that's opposed to the whole data request into

17 evidence.

18 JUDGE RILEY: Okay. What we have, and then I

19 have your two exhibits.

20 MS. STEWART: That's correct.

21 JUDGE RILEY: And then we have Staff's

22 Cross-Exhibits to deal with.

1 Why don't you confer with your
2 client --

3 MS. STEWART: Okay.

4 JUDGE RILEY: -- and then we'll revisit this.

5 MR. FEELEY: Can I make a motion for my other
6 cross-exhibit? Perhaps they have to have the same
7 discussion on it.

8 MS. STEWART: The other one's fine. I have no
9 objection to the other one.

10 JUDGE RILEY: Which one is fine?

11 MS. STEWART: The second cross-exhibit.

12 JUDGE RILEY: Staff Cross-Exhibit 2, there's no
13 objection to that. Staff Cross-Exhibit 1, you want
14 to confer with your client first?

15 MS. STEWART: Yes.

16 JUDGE RILEY: All right. Let's go ahead.

17 (Whereupon, a discussion was had
18 off the record.)

19 JUDGE RILEY: Okay. Let's go back on the
20 record.

21 Counsel, you've conferred with your
22 client.

1 MS. STEWART: Yes, I have.

2 JUDGE RILEY: My question -- my first question
3 was with regard to the redirect. Did you want to
4 conduct a redirect.

5 MS. STEWART: Yes, I do.

6 JUDGE RILEY: Okay.

7 REDIRECT EXAMINATION

8 BY

9 MS. STEWART:

10 Q Mr. Miltenberger, can you turn to what's
11 been marked as Staff Cross-Examination 1 (sic)?

12 A Yes.

13 Q And turn to the first page after the data
14 response, the TransCanada invoice.

15 A Okay.

16 Q Now, is this an invoice -- when it says
17 it's sold to MidAmerican Energy Company, is this
18 intended to be an invoice directed just to the PGA or
19 is it directed to PGA and unregulated purchases both?

20 A The invoice that is in question appears to
21 me to be a summary invoice that TransCanada Energy
22 prepared and sent to MidAmerican Energy.

1 From TransCanada's perspective
2 MidAmerican is one entity. They do not necessarily
3 distinguish between a regulated purchase versus an
4 unregulated purchase. And it is quite possible that
5 it's completely out of MEC's control whether we were
6 to receive a summary invoice or an invoice that would
7 be just for reg. It's going to be up to the
8 supplier.

9 So, therefore, on a summary invoice we
10 have to go through and break it down between the
11 regulated purchases and the unregulated purchases.

12 Q By turning to the second line of that
13 invoice -- I think that's Transaction No. 263190;
14 that's the first one on that page. It's split
15 between DM and SC.

16 Do you see that?

17 A Yes, I do.

18 Q Can you tell me what kind of documentation
19 would underlie that transaction or that splitting?

20 A It is my understanding, subject to check,
21 that there is an individual transaction confirmation
22 that is entered into for each purchase of gas that

1 MidAmerican would make, there would be a separate
2 transaction confirmation for both the regulated
3 purchase and for the unregulated purchase.

4 And, therefore, if we were to delve
5 down into the detail of that, I believe we would have
6 a separate transaction confirmation that would
7 substantiate the breakdown on that particular line
8 item.

9 Q And would that transaction have been
10 negotiated by someone from the PGA group or from the
11 unregulated group?

12 A Transaction confirmation related to the
13 regulated purchase would have been entered into by a
14 gas supply buyer in a regulated group. The
15 transaction confirmation for the unregulated group
16 would have been entered into by a gas supply person
17 that's part of the unregulated gas supply; two
18 distinct people.

19 Q Okay. Turning to Cross-Examination Exhibit
20 2, this is a documentation regarding a contract with
21 AEP Energy. Would the same hold true for
22 transactions made under this contract?

1 A Yes, it would. And I believe that in a
2 further data request -- although I don't recall the
3 exact number of it -- I believe MidAmerican did
4 provide the actual transaction confirmations for this
5 invoice. But I do not recall which data request
6 response it was.

7 Q You recall when I asked Ms. Ebrey some
8 questions about the method of return of any refund to
9 customers resulting from this proceeding?

10 A Yes.

11 Q And she had proposed that the refund occur
12 within a one-month period and you propose that it be
13 spread over a 12-month period?

14 A Yes.

15 Q Could you tell me for the record how you
16 would propose to make that if it were to be made over
17 a 12-month period.

18 A If the refund were to be made over a
19 12-month period, I would propose that we use the
20 forecasted sales volumes that are part of the monthly
21 PGA as an allocation tool to split the refund by
22 months over that 12-month period.

1 Q Turning back to the AEP transaction that we
2 were discussing, do you recall the number of that
3 data request that included the transaction
4 confirmations employees?

5 A No, I do not.

6 MS. STEWART: I would like to ask that
7 MidAmerican be allowed to furnish as a late filed
8 cross-examination exhibit that data request that
9 provides the transaction confirmations that are part
10 of -- that are related to your Cross-Examination
11 Exhibit 2, which includes the AEP contract. It seems
12 like that is directly related to that data request.

13 MR. FEELEY: I'm sorry, you want to include
14 what?

15 MS. STEWART: We would like to include as a
16 redirect examination exhibit a data request from the
17 2000 year that corresponds with your
18 Cross-Examination 2. It includes the transaction
19 confirmations that underlie -- that were entered into
20 pursuant to the terms of the AEP contract that's
21 included in your Cross-Examination Exhibit 2.

22 JUDGE RILEY: I trust you don't have a copy of

1 that.

2 Where would that be? Is it available,
3 would be my concern.

4 MS. STEWART: It would be available. I may
5 have it. We just don't know exactly what the -- this
6 is not even -- I know I don't have a 2000 docket with
7 me.

8 JUDGE RILEY: Okay.

9 MR. FEELEY: I guess I'm going to object to
10 that. I don't -- this unnamed document I don't have,
11 that's not being provided here, I object to it being
12 admitted into evidence.

13 JUDGE RILEY: Yeah. We --

14 MR. FEELEY: This is a complete response here,
15 Staff Cross-Exhibit No. 2.

16 MS. STEWART: It's a complete response,
17 however, when I said 2002 year, which is not the
18 subject of this proceeding. It was impossible for us
19 to know that you were going to be crossing on those
20 kind of issues that would relate to the prior year in
21 this matter.

22 The data requests have been reviewed

1 in detail by Staff and by Company. I don't know why
2 you would object to that.

3 MR. FEELEY: What is the objection here?
4 Relevance?

5 MS. STEWART: You made the objection.

6 MR. FEELEY: No, you seem to be offering that
7 because you object to the Staff Cross-Exhibit No. 2.

8 Is there an objection to Staff
9 Cross-Exhibit No. 2?

10 MS. STEWART: Well, before Mr. Miltenberger --
11 before I discussed this with Mr. Miltenberger, I had
12 no objection to your Cross-Examination Exhibit No. 2.
13 I would retract that agreement to putting it in the
14 record, if that's necessary; or else I would -- I
15 have no objection to having it in the record if I
16 could also place in the record the transaction
17 confirmations that correspond with this contract also
18 part of that 2002 PGA year.

19 JUDGE RILEY: I don't have any objection to you
20 producing those if you can produce them. I mean, in
21 other words --

22 MR. FEELEY: Judge Riley, what is the objection

1 to Staff Cross-Exhibit No. 2 other than my witness
2 doesn't like it? I see no objection to Staff
3 Cross-Exhibit No. 2.

4 JUDGE RILEY: Are you raising an objection to
5 Staff Cross-Exhibit No. 2?

6 MS. STEWART: Yes, I am. Cross-examination
7 Exhibit No. 2 only provides a partial look at the AEP
8 contract that's included therein.

9 JUDGE RILEY: You're saying these transaction
10 confirmations are not included like that they should
11 be?

12 MS. STEWART: That's correct.

13 JUDGE RILEY: Well, before I make a ruling on
14 that, we have to find out whether or not they're
15 available, where are they, how extensive are they. I
16 mean, I'm not making a ruling one way or the other.

17 MS. STEWART: Do you recall how extensive it
18 is?

19 MR. FEELEY: From what I recall, I think
20 originally you had requested all of the transaction
21 confirmations for a given month. And I believe you
22 and I worked through that, and we decided -- or

1 agreed upon providing them for one supplier. And I
2 believe that was AEP. And I believe it was still a
3 fairly voluminous amount of paper, your Honor, for
4 that one supplier.

5 JUDGE RILEY: My next question is, where are
6 they? Where are these transaction confirmations?
7 Where can they be located?

8 MS. STEWART: They would be located in Sioux
9 City. We could get them and get them overnighted.

10 JUDGE RILEY: Yeah, but then, again, Counsel
11 has had no chance to examine them. They couldn't
12 possibly be admitted without more testimony.

13 MS. STEWART: I don't know if Staff brought the
14 entire 2000 PGA year with them. Because we
15 provided -- we furnished them to Staff.

16 MR. FEELEY: Staff does not have those
17 documents.

18 JUDGE RILEY: No. I don't even know what they
19 are. You said they're transaction confirmations.

20 Are they a part of this contract?

21 MS. STEWART: Yeah, they're called -- that's
22 the only way the contract is implemented.

1 MR. FEELEY: It's my understanding that they
2 have a base contract -- which is what Judge Riley had
3 included in behind us and asked me about.

4 It is my understanding that for each
5 purchase there is going to be a transaction
6 confirmation that MEC is going to sign and also the
7 supplier that they're doing business with is going to
8 sign. It's going to state the volume, the rate, all
9 the pertinent details related to the purchase.

10 Staff Data Request TEE-403 has four
11 parts to it. The company provided its response to
12 it. We're putting that whole response in here.

13 Now they want to supplement this
14 record with some documents that we may have seen that
15 no one's seen right here and Staff hasn't had a
16 chance to review. So object to that -- to MEC being
17 allowed to offer that as a late-filed exhibit.

18 MS. STEWART: I don't know how you can say that
19 Staff has not had a chance to review this since the
20 information we are proposing to furnish is a data
21 request which was lodged by Staff.

22 MR. FEELEY: It's not here. I don't have the

1 document in front of me. I can't agree to have
2 something admitted into evidence without --

3 JUDGE RILEY: Counsel, I'm going to deny your
4 request for those transaction confirmations.

5 Staff Exhibit 2 -- the four corners of
6 Staff Exhibit 2 are the response to the data request.
7 You say the response to the data request is complete
8 here; is that correct?

9 MR. FEELEY: Yes.

10 JUDGE RILEY: Okay.

11 MS. STEWART: I'm not trying -- I don't know
12 exactly how you can say that this is complete. Look
13 at the data request that says work papers GS-1-A D 42
14 through 43 appears to be an invoice.

15 Is that invoice included herein --
16 okay. I withdraw that question -- that comment.

17 Perhaps I can ask Mr. Miltenberger one
18 question that might clarify that.

19 JUDGE RILEY: Okay. Give me a second to make a
20 note --

21 MS. STEWART: Sure.

22 JUDGE RILEY: -- then you can continue with

1 your redirect.

2 BY MS. STEWART:

3 Q Turning to Staff Cross-Examination Exhibit
4 2 Mr. Miltenberger, do you have that?

5 A Yes, I do.

6 Q About three pages from the back is the
7 invoice sale 0203-0147?

8 A Correct.

9 Q And a customer I.D. number MidAmer?

10 A Correct.

11 Q And a customer number 101.9?

12 A Correct.

13 Q You see -- do you see -- can you describe
14 to me what is shown on that sheet?

15 A What is shown on these -- the Company's
16 three pages of detail are the purchases of natural
17 gas that MEC made from AEP Energy Services. It is
18 shown broken down by a pipeline, by the volume, and
19 by the applicable price that MEC paid for these
20 transactions.

21 There is also further detail that has
22 been noted on the right-hand side of the invoice that

1 designates the split of this invoice between
2 regulated gas purchases as noted by an SC versus an
3 unregulated purchase which is noted as a DM.

4 In addition to this invoice, as
5 further support, there would be a transaction
6 confirmation that would be generated at the time the
7 purchase is made and the transaction confirmation is
8 made separately for each transaction. The regulated
9 purchases would have a separate transaction
10 confirmation. The unregulated purchase would also
11 have a separate transaction confirmation. And those
12 confirmations were not included as part of this data
13 request response.

14 Q Can you turn about midway through the
15 contract, there is a page -- midway through this data
16 request. It's right after -- it follows page 7 of 7
17 of the contract. There is a document that is labeled
18 for immediate delivery. And then it's a sheet -- a
19 form that looks like it is to be filled in.

20 Do you have that?

21 A Yes, I do.

22 Q Can you tell me a form of the transaction

1 confirmation that would underlie all of those
2 transactions that you just discussed?

3 A It appears to me that this is a blank
4 transaction confirmation that was provided as part of
5 the base contract for this purchase.

6 Q Okay.

7 MS. STEWART: I have no more redirect for this
8 witness.

9 JUDGE RILEY: Okay. Thank you.

10 MS. STEWART: I would move for admission into
11 evidence -- I guess I should wait for you,
12 Mr. Feeley, if you have any more recross.

13 JUDGE RILEY: Hold on a minute.

14 Mr. Feeley, did you have any recross
15 for the witness.

16 MR. FEELEY: Just real briefly.

17 RECROSS-EXAMINATION

18 BY

19 MR. FEELEY:

20 Q Mr. Miltenberger, you were asked on
21 redirect about if the Commission were to order a
22 reconciliation factor that it be amortized over a

1 12-month period, over projected sales for that
2 12-month period?

3 A I believe I said sales volumes, yes.

4 Q And would you also agree that interest
5 should also be taken into account during that?

6 A Yes, I would. And I would recommend that
7 that interest be set at the existing rate as dictated
8 by the ICC.

9 Q Okay.

10 JUDGE RILEY: Anything further?

11 MR. FEELEY: That's all the recross I have.

12 MS. STEWART: I will move for admission into
13 evidence of Company Exhibit 10 and including the
14 public version of Schedule 1 and Company Exhibit 11.

15 JUDGE RILEY: All right. Any objection to the
16 admission of Company Exhibits 10 and 11 into
17 evidence?

18 MR. FEELEY: No objection.

19 JUDGE RILEY: Then they are admitted into
20 evidence.

21 (Whereupon, Company Exhibit Nos. 10

22 And 11 were admitted into evidence.)

1 JUDGE RILEY: Then we have the matter of your
2 two Staff Cross-Exhibits.

3 Taking them separately, Staff
4 Cross-Exhibit 1, is there any objection to the motion
5 to admit?

6 MS. STEWART: No objection.

7 JUDGE RILEY: Staff Cross Exhibit No. 1 is
8 admitted into evidence.

9 Staff Cross-Exhibit No. 2?

10 MS. STEWART: No objection.

11 JUDGE RILEY: No objection to Staff
12 Cross-Exhibit 2. It will be admitted into evidence.

13 (Whereupon, Staff Cross-Exhibit
14 Nos. 1 and 2 were admitted into
15 evidence.)

16 JUDGE RILEY: Do we have any other exhibits for
17 me to deal with?

18 MR. FEELEY: No.

19 JUDGE RILEY: Counsel, just for clarification
20 of the record, with regard to those transactions
21 confirmations that you had wanted to offer as a
22 late-filed exhibit and that I had denied, for the

1 record I am going to mark those as Respondent's
2 Redirect Exhibit 1. And I will note that for the
3 purpose of e-docket filing that that was denied, and
4 that should preserve it --

5 (Whereupon, Respondent's
6 Re-Direct Exhibit No. 1 was
7 marked for identification.)

8 MS. STEWART: Okay.

9 JUDGE RILEY: -- if beco- -- if it was to make
10 an issue of it later.

11 MS. STEWART: Okay.

12 JUDGE RILEY: Mr. Feeley, you had something
13 else?

14 MR. FEELEY: Yes. Staff would agree to enter
15 into a stipulation with the Company regarding the
16 issue of the method if the Commission were to order
17 reconciliation factor of how that should be handled.
18 And Staff would agree with the Company's proposal as
19 modified -- or as clarified in Mr. Miltenberger's
20 redirect and recross that it be amortized over a
21 12-month period, taking into account interest,
22 whatever is appropriate under the PGA.

1 And that would be based upon the
2 12-month sale going forth from the date of a
3 Commission order.

4 JUDGE RILEY: What does that mean in terms of
5 the issues in this matter? Does that resolve an
6 issue?

7 MS. STEWART: It does.

8 MR. FEELEY: That resolves that one issue.

9 JUDGE RILEY: That's an issue that's a matter
10 of interest in --

11 MR. FEELEY: If there is an ordered
12 reconciliation factor, it resolves the issue of
13 should it be over 12 months or 12 months as Staff had
14 proposed.

15 JUDGE RILEY: You're saying that the issue is
16 resolved insofar as interest would be applied to the
17 amortization over 12 months.

18 MR. FEELEY: Yeah, it would be based upon
19 forecasted sales. I think in our briefs we could
20 make it more clear, but I just wanted to note for
21 that the basis is there --

22 JUDGE RILEY: Okay.

1 MR. FEELEY: -- or the record now based upon
2 his redirect and my recross.

3 JUDGE RILEY: Is it safe to say the parties so
4 stipulate?

5 MS. STEWART: That is correct.

6 JUDGE RILEY: All right, then. So stipulated.

7 Does that conclude all of the
8 testimony for Mr. Miltenberger?

9 MS. STEWART: Yes.

10 JUDGE RILEY: Okay. Thank you
11 Mr. Miltenberger.

12 Counsel, did we have -- do we have any
13 further witnesses?

14 MS. STEWART: Not from MidAmerican.

15 MR. FEELEY: None for Staff.

16 JUDGE RILEY: All right, then. We have the
17 matter of a schedule.

18 MR. FEELEY: Do you want to go off the record?

19 JUDGE RILEY: Yes. Thank you.

20 (Whereupon, a discussion was had
21 off the record.)

22 JUDGE RILEY: We have just discussed the matter

1 of a briefing schedule, and it has been agreed by the
2 parties that the initial briefs will be due by the
3 close of business on November 22nd. And the reply
4 brief will be due by close of business on December
5 20.

6 In addition, if MEC decides to submit
7 a proposed order, they will do so by November 23rd,
8 close of business.

9 And Counsel, you said that you most
10 likely are not going to file a proposed order?

11 MR. FEELEY: No.

12 JUDGE RILEY: Is there anything else that we
13 need to discuss?

14 MS. STEWART: Not from MidAmerican.

15 MR. FEELEY: Nothing for Staff.

16 JUDGE RILEY: Then I will direct the court
17 reporter to mark this matter heard and taken, and
18 I'll await the submission of the briefs.

19 Thank you very much.

20 HEARD AND TAKEN.

21

22